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*PRES file*

NSC BRIEFING

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NEW SINO-SOVIET RAIL LINKS

As the Sino-Soviet communique of 11 October 1954 announced, two new railroads will be built to link China and the USSR. The first to be completed will be a north-south line connecting the Trans-Siberian with North China. The second, which will take longer to build, will run east-west across Sinkiang, connecting with the Soviet railroad system in Central Asia.

The building of these new lines compares in ambitiousness and significance with the US pioneering of our transcontinental railroads.

The Mongolia line is 650 miles long and is to be finished during 1955. Soviet construction has gone from Ulan Bator in the north to Sayn Shanda, a new Soviet oil site. Chinese construction has reached north some 100 miles from Chining towards the Mongolian border.

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This short-cut will save 775 miles over the present Moscow-Peking mileage, and make it the major route between the USSR and China Proper.

The Soviet section of this line is broad gauge (5'), and the Chinese is standard (4'8½").

The line's capacity is estimated at an annual two to three million tons each way.

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The field may eventually yield one to two million tons of oil a year, supplying both China and the USSR. This production will eliminate much of the present long-haul of Soviet petroleum to China.

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The Sinkiang line is 1,500 miles long and may well be completed by 1960. The Soviet section will run eastward 155 miles from Alma Ata to the border and work is said to have started. The USSR might build beyond the border, thus speeding completion of the link-up.

The Chinese have already built more than 200 miles northwestward from Lanchou, through the most difficult terrain on the route. During the winter of 1953-54, they drove a 37-mile stretch through the Wu Hsiao Ling mountains and reached the open desert to the West in July 1954. For the rest of the way, terrain will present fewer difficulties and the line will probably reach Yumen (China's largest present oilfield, in Kansu province) by 1956.

From there, the railroad will go to Sinkiang's capital, Urumchi, and beyond--probably to the new and very rich petroleum center of Wusu, then into the agricultural Ili River valley and on to the border.

This rail line is of the same gauge as the Soviet section and standard in the Chinese section.

Capacity is estimated at an annual two to three million tons each way.

The Sinkiang line will tap the mineral riches of Kansu and Sinkiang. The Kansu oil fields can furnish a minimum of 350,000 - 450,000 tons a year. Even more important for the future is the Wusu oil development and the entire Dzungaria Basin, where potential petroleum resources are estimated to be among the greatest in the world - comparable to the Volga-Ural fields. In addition, Sinkiang contains sizable mineral deposits (including tungsten and uranium in the Dzungaria Basin).

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Completion of the new railroads will have these effects. Strategically, China's capacity to receive rail shipments from the Bloc will be doubled, while the rail lines, themselves, will be less vulnerable. Economically, mineral-rich areas will be opened up and transport costs will be significantly reduced, thus stimulating Sino-Bloc trade. Politically, remote areas of China - hitherto isolated geographically and administratively from Peiping - will be tied more firmly to central government control.

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